

Introducing Medicare Part D and Limited Income Subsidy



Slide: Learning Objectives - SG Table of Contents Page

Learning Objectives

- Overview of Medicare Part D
- Standard Coverage
- The Limited Income Subsidy (LIS) Program
 - AHCCCS Customers
 - Non-AHCCCS Customers
- The Role of Contractor Staff
- Helpful Information

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Desk Aids

Terms and Acronyms
Monthly Income Limits
Benefits and Costs Chart
Contact List
Calendar of Events

Slide: Medicare Prescription Drug Coverage - SG Page 1



In 2002, the federal government passed the Medicare Prescription Drug, Improvement and Modernization Act (MMA). Which resulted in several changes to Medicare. Although our focus is on the biggest change, Medicare Part D coverage, MMA also:

- Established prescription drug discount cards for use until Medicare Part D begins, and
- Expanded Medicare coverage for preventative medical care, including coverage for initial physical examinations starting in 2005.

However, the most significant changes in the MMA include:

- Voluntary Part D prescription coverage beginning in 2006, and
- The Limited Income Subsidy program, which will provide extra help with cost sharing for people with limited income and resources.

Tell me some things you already know about Medicare Part D?

Medicare Part D is a voluntary prescription drug benefit for people with Medicare that begins on January 1, 2006.

Refer Students to the Monthly Income Limit Chart - pink, and the Terms & Acronyms DeskAid - purple. We will be referring to this info.frequently.

Slide: Eligibility for Part D - SG Page 1

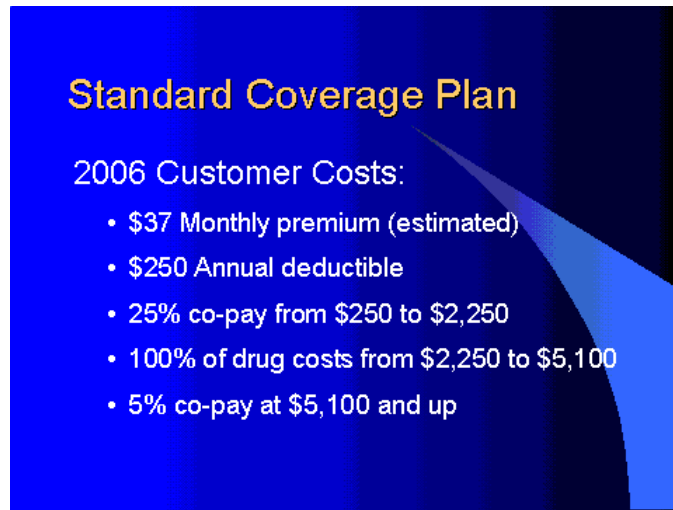
Eligibility for Medicare Part D

- Entitled to Part A and/or enrolled in Part B
- Reside in a prescription plan service area
- Must enroll in a Medicare Part D Plan

In order to be eligible for Medicare Part D, an individual must:

- Be entitled to Medicare Part A (hospital insurance), and/or enrolled in Medicare Part B (medical insurance). Part A is an entitlement program and there are no premiums. Part B is an optional program, like Part D, and people must enroll and pay premiums.
- Reside in a prescription plan service area (we will talk more about service areas in a few minutes).
- Since this is a voluntary program, people with Medicare must enroll in a Medicare Part D plan in order to get the benefits.

Slide: Standard Coverage Plan – SG Page 2

A blue rectangular slide with a dark blue background and a light blue curved graphic on the right side. The title 'Standard Coverage Plan' is in yellow. Below it, '2006 Customer Costs:' is in white, followed by a bulleted list of costs in white.

Standard Coverage Plan

2006 Customer Costs:

- \$37 Monthly premium (estimated)
- \$250 Annual deductible
- 25% co-pay from \$250 to \$2,250
- 100% of drug costs from \$2,250 to \$5,100
- 5% co-pay at \$5,100 and up

Medicare Part D is not free for most people with Medicare. But, many people on Medicare don't have any prescription drug coverage, so they may be very excited about this change. We will talk about customers who may be eligible for the Limited Income Subsidy (LIS), including current AHCCCS or Medicare Cost Sharing customers later in this training. For now, I am going to tell you about people with Medicare who are not receiving any help from AHCCCS.

Here is how it works:

- ⇒ \$37 monthly Part D premium (estimated). The customer has the option of having the premium deducted from his/her monthly social security payment, or paying the prescription drug plan directly. SSA is encouraging the customer to select the automatic deduction option.
- ⇒ \$250 annual deductible. This is calculated based on a calendar year - from January - December.

Slide: Standard Coverage Plan – SG Page 2, cont.

- ⇒ Once the deductible is met, the person pays 25% of prescription costs (Part D pays 75%) until the annual prescription costs exceed \$2,250. (For example, if a covered medication costs \$40, the customer would pay \$10, and the prescription drug plan would pay \$30.)
- ⇒ The person pays 100% of prescription costs between \$2,250 and \$5,100 (this was called the “donut hole” until CMS decided it would be more appropriate to call it the “coverage gap”).
- ⇒ Once the customer reaches Part D prescription expenses of over \$5,100, coverage picks up again with lower co-pays. He/she will pay either \$2 (for generic drugs) or \$5 (for brand name drugs) or 5% of the price of the prescription, whichever is higher.

The Part D plan is responsible for keeping track of the customer's prescription costs, and only prescriptions that are filled in the Part D plan's network will count towards these costs.

For example, if a person goes out of network to fill a prescription that costs \$100 it won't count toward the \$250 deductible.

Slide: Prescriptions Provided Through Part D Drug Plans - SG Page 3



All prescription coverage under Medicare Part D will be provided by Part D plans. A government agency, like AHCCCS is not allowed to become a drug plan. The Centers for Medicare and Medicaid Services (CMS) is currently evaluating bids from organizations that would like to be prescription drug plans. CMS will not award contracts until September - that means **we will not know** which plans will be available in Arizona until late September.

We DO know that Medicare Part D plans will fall into three categories:

Prescription Drug Plan (PDP)

One type of plan is a Prescription Drug Plan (PDP). The PDP is like a HMO, except the services are limited to prescription drugs, and it must cover the entire state of Arizona.

Slide: Prescriptions Provided Through Part D Plans - SG Page 3, cont.

Another type of Medicare drug plan is a **Medicare Advantage Prescription Drug Plan (MA-PD)**. Ask: Can anyone tell me what a **Medicare Plus** or **Medicare Choice** plan is?

Starting in January 2006, Medicare Plus or Medicare Choice plans will be called Medicare Advantage (MA) plans. Customers who live in areas served by Medicare Plus or Choice plans can choose to receive Medicare services from the Plus or Choice plan, instead of selecting regular Medicare coverage. MA-PD plans are HMOs that manage the entire Medicare benefit, including Part D. MA-PD plans cover inpatient care, durable medical equipment, primary care, etc.

The third type of Part D plan is a **Special Needs Plan (SNP)**, which will serve populations with special needs, like people who are eligible for Medicaid (AHCCCS) and Medicare.

Six AHCCCS health plans are taking steps to become a Medicare Special Needs Plan:

- APIPA (Arizona Physicians, IPA)
- MCP (Mercy Care Plan)
- PHP (PHP/Community Connection)
- HCA (Health Choice Arizona)
- Care 1st
- EverCare Select

Note: Mercy Care and EverCare Select are the only two that cover both acute care and long term care AHCCCS recipients.

Slide: Prescriptions Provided Through Part D Plans - SG Page 3, cont

Special Needs Plans, cont.

Special Needs Plans are available to people with Medicare who are also on AHCCCS. About half of the AHCCCS customers with Medicare are already enrolled with one of these AHCCCS Health Plans. This means that these people will be able to get their Medicare and AHCCCS covered services from the same plan, including their new Medicare Part D prescription coverage. This should help with continuity of care and service delivery issues.

Employer Plans for Retirees

CMS wants to encourage employers with retirement plans that include prescription drug coverage to continue this coverage, so the MMA includes financial incentives to these insurance carriers to encourage continuation of existing retiree group coverage.

People with this kind of prescription drug coverage do not have to enroll with one of the 3 types of Medicare Part D drug plans.

Slide: Medicare Part D Plans - SG Page 5

Medicare Part D Plans:

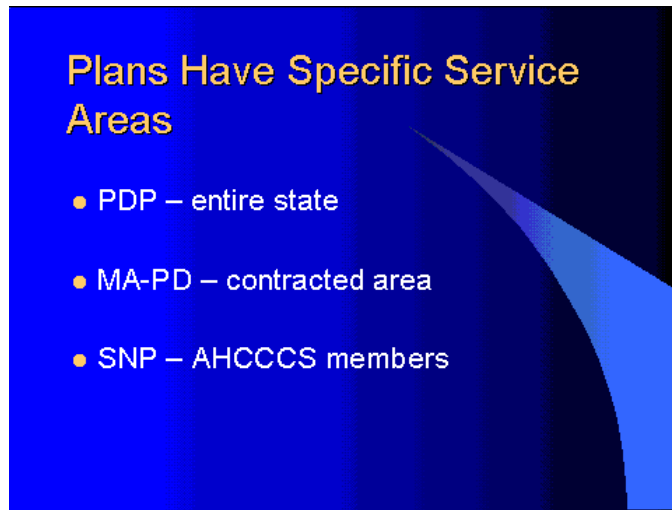
- Must offer the standard benefit
- May offer enhanced benefits
- Decide which drugs they will cover (formulary)

Regardless of which type of plan, all Part D plans must provide a basic drug coverage, or standard benefit.

In addition to the standard benefit, MA-PD and MA-PD SNP plans may choose to provide supplemental benefits, and may charge an additional premium. (Could choose to offer more covered medications, or reduced co-pays, or other benefits that are not part of the standard benefit, like dental coverage for adults.)

Each plan will determine which medications they will cover, called their formulary. CMS must approve all formularies, and has provided guidance for 6 classes of drugs, to be discussed later.

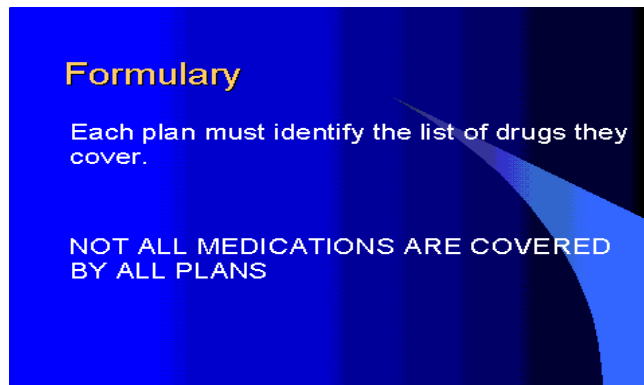
Plans Have Specific Service Areas - SG Page 5



Each type of plan will cover a specific area:

- Prescription Drug Plans will provide prescription coverage to the entire state of Arizona. At this time, we understand that people with regular Medicare will have at least two PDPs to choose from.
- Medicare Advantage Prescription Drug plans will provide Part D coverage to the people with Medicare who enroll with them in their contracted service area. A person with Medicare cannot choose a Medicare Advantage Prescription Drug plan without already being enrolled with that Medicare Advantage plan.
- Medicare Special Needs Plans will provide Part D coverage only to AHCCCS members who have Medicaid and are enrolled with their plan or reside in a nursing home.

Slide: Formulary - SG Page 6

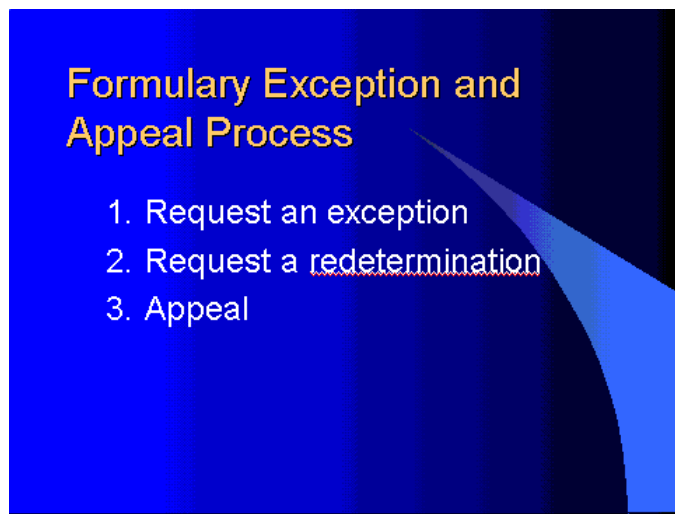


Who can tell me what a formulary is? Does your health insurance company have a formulary? Each prescription drug plan must submit a list of covered medications, it's formulary, to CMS for approval. Each plan will also be required to publish their formulary so that people with Medicare will know whether or not the medications they need will be covered by the plan. The formulary for each plan will be available on the Medicare website at www.Medicare.gov no later than October 2005.

CMS intends to review formularies to ensure inclusion of a broad range of therapeutic categories and classes. CMS requires a plan to have a formulary that contains at least 2 medications in each approved category, regardless of the classification system utilized, and ALL or substantially all drugs in the following 6 special classes: Antidepressants, antipsychotics, anticonvulsants, antiretrovirals, antineoplastics, and immunosuppressants. **NOT all medications are covered by all plans!!**

There are some drugs that are excluded from coverage by Medicare Part D. There is a list of some of these drugs in your student guide. However, if medically necessary, the Medicare Part D plan or AHCCCS health plans may cover some of these excluded drugs.

Slide: Formulary Exception and Appeal Process - SG Page 7

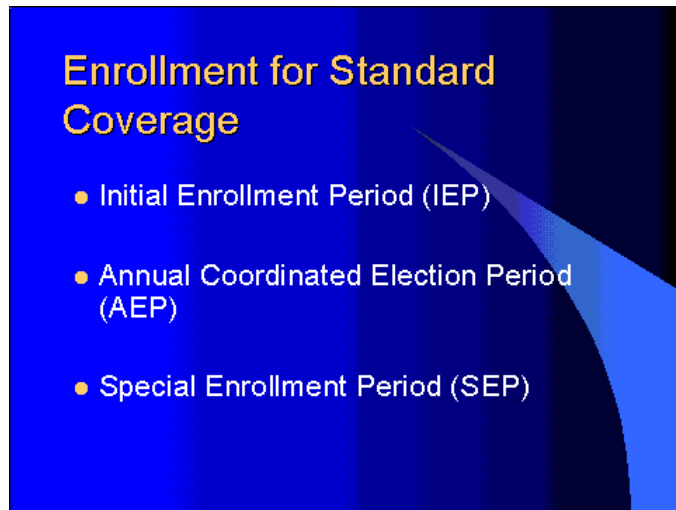


Each plan must have a process for handling requests for exceptions to their formulary when a medically necessary drug is not included on the formulary for the plan the individual selected.

A person enrolled with a Medicare Part D plan has several options if a medication is denied by the Medicare drug plan - the procedure for exceptions will be explained by the plan when the Medicare customer enrolls, and appeals can be filed upon notice from the plan of a denial.

- First, the customer can request an exception - the plan must notify the customer of it's decision within 1 - 3 days of the request for exception,
- Second, if the request for exception is denied, a redetermination of benefits can be requested, and
- Third, if the redetermination is also denied, the customer can file an appeal.

Slide: Enrollment for Standard Coverage - SG Page 8



The Initial Enrollment Period (IEP) is from November 15, 2005 to May 15, 2006 for people who are currently Medicare eligible or who will become eligible from November 2005 through February 2006.

After the initial enrollment period, once a customer becomes eligible for Medicare, the enrollment Period is 7 months (begins 3 months before the month of eligibility, the month of eligibility, and extends 3 month after the month of eligibility) - just like the enrollment period for Part B.

The Annual Coordinated Election Period (AEP) is like our annual enrollment period. After the initial enrollment period, people with Medicare can enroll or change plans only during this time.

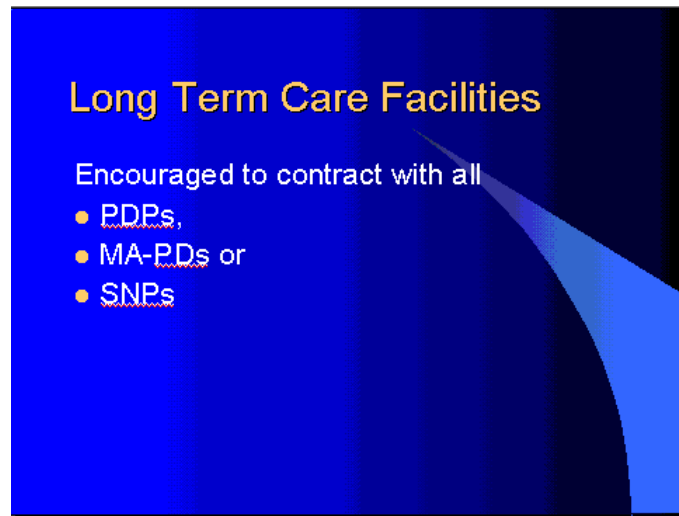
- For the first year the AEP is the same as the IEP (November 15, 2005 - May 15, 2006).
- For future years (beginning in 2006) the AEP will be November 15 - December 31 of each year.

A Special Enrollment Period applies when exceptional circumstances occur, and for Dual Eligibles ALWAYS, including:

- Permanent move out of the plan service area
- Involuntary loss of creditable coverage
- An individual enters or leaves a long term care facility

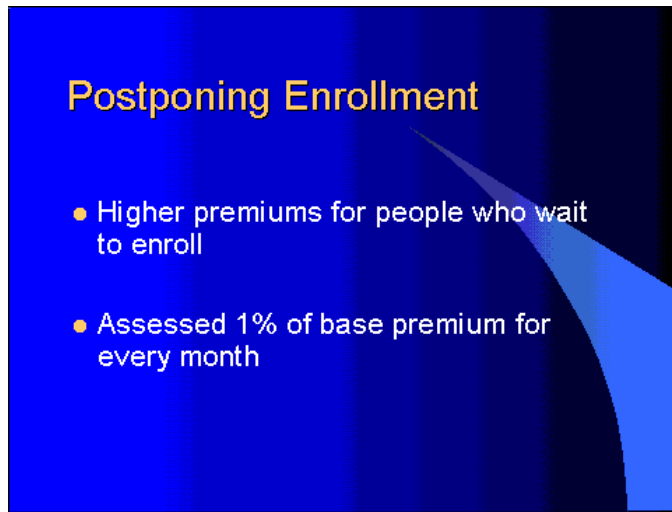
These events will allow the person to enroll or change plans prior to the annual election period.

Slide: Long Term Care Facilities



Note: Entering and leaving a long term care facility has been identified as an event when a person can change plans if they need to. However, CMS has encouraged LTC pharmacies to contract with all Medicare prescription drug plans in their area, in order to prevent enrollment problems.

Slide: Postponing Enrollment - SG Page 9



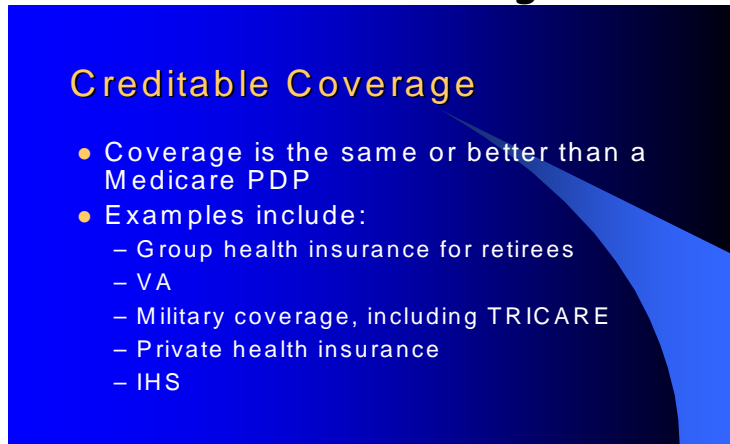
If a person with Medicare chooses not to join a Medicare Part D plan at the first opportunity, he/she may have to pay a higher premium if he/she decides to enroll later. This is similar to the penalty for delayed enrollment with Medicare Part A or B. For Medicare Part D, the penalty is an increase in the monthly premium that is 1% for each and every month the enrollment is delayed.

For example, if the monthly premium is \$37 in July 2006 when the person first becomes entitled to Medicare, but doesn't enroll until November 2007, when the coverage becomes effective in January 2008 the monthly premium will increase to at least \$43.29.

**INSTRUCTOR: Calculation: July 06 - November 07 = 17 months.
 $\$37.00 \times 17\% = \6.29 . $\$37.00 + \$6.29 = \$43.29$.**

There is an exception in the case of "creditable coverage".

Slide: Creditable Coverage - SG Page 9



Creditable Coverage

- Coverage is the same or better than a Medicare PDP
- Examples include:
 - Group health insurance for retirees
 - VA
 - Military coverage, including TRICARE
 - Private health insurance
 - IHS

Creditable coverage means that a person with Medicare has health insurance that provides as much or more prescription coverage than a Medicare Part D plan. The slide shows some examples.

CMS has clarified that IHS is **considered creditable coverage**.

People with Medicare who have other insurance that includes prescriptions will receive a notice from the insurance carrier indicating whether or not the other insurance is considered to be "creditable". It is important that people with Medicare NOT opt out of Part D without first receiving notice of creditable coverage.

When an individual has creditable coverage, there is no penalty for not enrolling in a Medicare drug plan as long as the coverage continues. It will be important for individuals to keep the notice of creditable coverage if they decline Medicare Part D now, but decide in the future to enroll. This could help to prevent a late enrollment penalty.

Note: To prevent a lapse in prescription drug coverage which could result in a penalty when enrolling for Medicare Part D, the customer must not be without creditable prescription drug coverage for more than 63 consecutive days.

Slide: CMS Outreach - SG Page 10



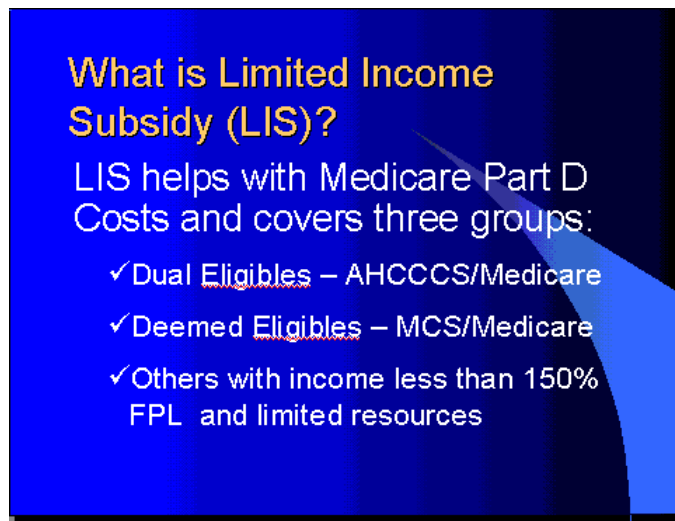
CMS and the Social Security Administration (SSA) will be doing a lot of outreach! There are over 43 million people with Medicare. That means 43 million people that need to enroll with a Medicare prescription drug plan.

- Website: www.medicare.gov, and
- 1-800-Medicare (1-800-633-4227)

SSA is also meeting with and training community groups who can help people with Medicare understand how Medicare Part D works.

Why are we telling you about this? Even though SSA and CMS are responsible for outreach, we know you will receive calls from people with Medicare who want more information. **Do you have parents, other family members, friends or neighbors on Medicare?** You may be the family or neighborhood expert!

Slide: What is Limited Income Subsidy (LIS) - SG Page 11



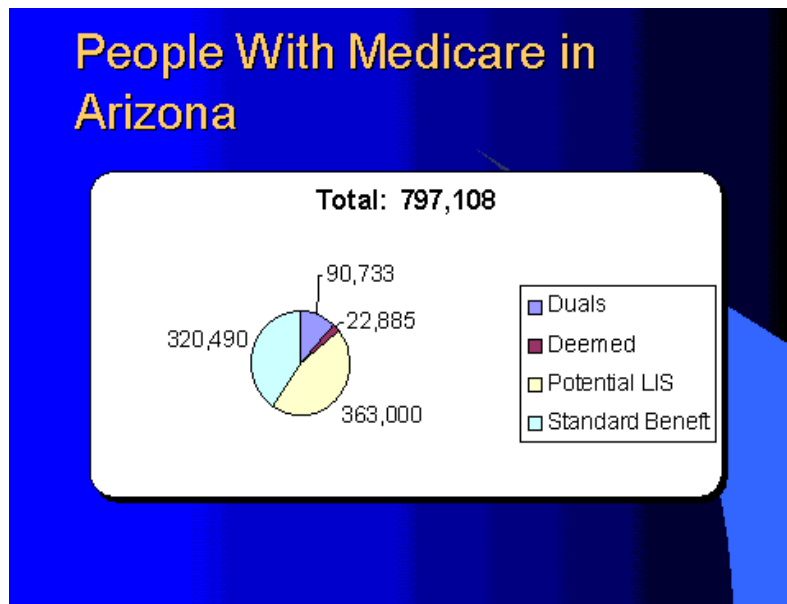
LIS is designed to provide help to certain people with Medicare who have limited income and resources. Eligible people will receive full or partial help with Part D premiums, deductible and co-pays for prescription drugs. SSA calls this "Extra Help".

We want to be sure you understand that this is a federal program, and that the LIS benefits are paid for by CMS - not by AHCCCS. The Limited Income Subsidy is not like a Medicare Cost Sharing program where AHCCCS pays the Medicare premiums, deductibles and co-pays.

There are three groups of people who fall into the Limited Income Subsidy category:

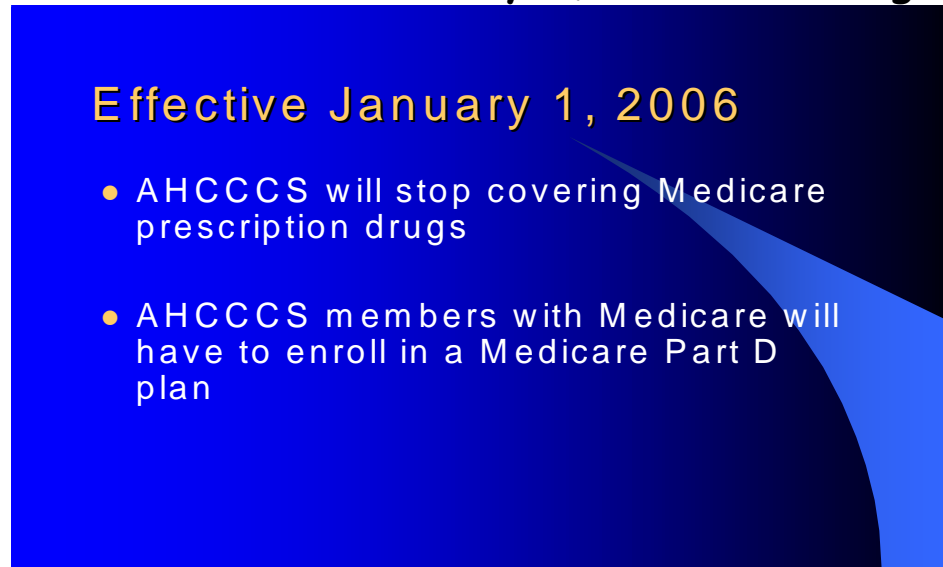
- ★ Dual Eligibles - these are individuals that receive both AHCCCS and Medicare benefits. These customers don't have to apply for assistance, they are automatically eligible for the LIS.
- ★ Deemed Eligibles - these are individuals that receive QMB only, SLMB or QI-1 - AHCCCS pays their Part B premiums, and some copays and deductibles, but they do not have other Medicaid benefits. They are not enrolled in Acute Plans or Program Contractors. They may be served by RBHAs. You may hear these referred to as Medicare Savings Programs. Deemed eligible customers don't have to apply for assistance, they are automatically eligible for the LIS.
- ★ Other individuals who are not on AHCCCS or MCS, but whose income is less than 150% FPL with limited resources, may apply for the LIS (or "Extra Help").

Slide: People with Medicare in Arizona



This slide will give you an idea about how many people in Arizona are on Medicare, and how many may be eligible for the Limited Income Subsidy by category.

Slide: Effective January 1, 2006 - SG Page 12



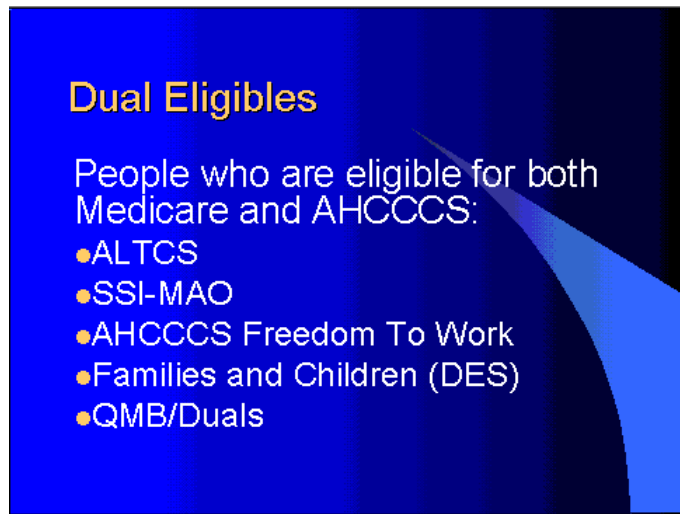
Effective January 1, 2006

- AHCCCS will stop covering Medicare prescription drugs
- AHCCCS members with Medicare will have to enroll in a Medicare Part D plan

Here's the big news. Now that Medicare has Part D coverage, effective 1/1/06, AHCCCS will no longer receive federal funding to provide prescription coverage for people with Medicare. That means that people with Medicare and AHCCCS must receive their prescription coverage through Part D.

Let's talk about how Part D Medicare works for people with Medicare who receive AHCCCS.

Slide: Dual Eligibles - SG Page 13



Dual eligibles are people who are eligible for both Medicare and AHCCCS:

- **ALTCS**
- **SSI MAO**
- **AHCCCS Freedom to Work**
- **Families and Children (DES)**
- **QMB/Duals**

NOT: KidsCare

Slide: How Part D Works for Dual Eligibles - SG Page 14**How Part D Works for Dual Eligibles**

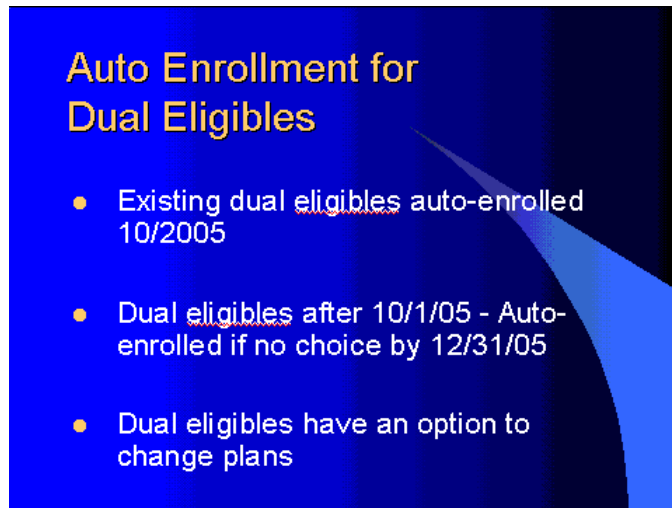
- No monthly premium
- No deductible
- No coverage gap
- Maximum co-pays based on income
 - ≤ 100% FPL = \$1 for generic, \$3 brand name
 - > 100% FPL = \$2 for generic, \$5 brand name
 - \$0 co-pay for catastrophic costs

Review the bullet items on this slide, and then make comparisons based on the chart in the student guide.

| Savings Comparison of Out-Of-Pocket Costs | | |
|--|--|---|
| Part D Expense | Standard Part D* | LIS Dual Eligibles |
| Premium | \$37/month | \$0 |
| Annual Deductible | \$250 | \$0 |
| Prescription Co-Pay | 25% when prescriptions costs are \$250 - \$2,250 (maximum \$500) | Maximum of \$1/\$3 if income ≤ 100% FPL |
| | 100% when prescription costs are \$2,250 - \$5,100 (\$2,850) | OR |
| | \$2/\$5 or 5% when prescription costs exceed \$5,100 (catastrophic coverage) | Maximum of \$2/\$5 if income > 100% FPL |

*Out of pocket costs for Standard Part D totals \$3,600 (not counting the premium) before catastrophic coverage applies.

Slide: Auto Enrollment for Dual Eligibles - SG Page 14



Auto Enrollment for Dual Eligibles

- Existing dual eligibles auto-enrolled 10/2005
- Dual eligibles after 10/1/05 - Auto-enrolled if no choice by 12/31/05
- Dual eligibles have an option to change plans

The transition of people with Medicaid to this new Part D Medicare coverage has been the subject of much national debate and concern.

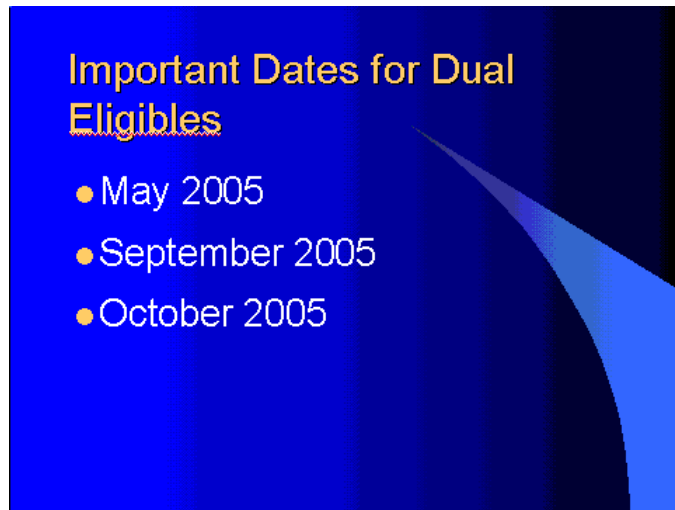
To insure no break in prescription coverage, in October, people with Medicare and Medicaid will be auto enrolled effective January 1, 2006, but have the option to change plans.

People who become dual eligibles after 10/1/05 will be auto enrolled if they haven't enrolled by 12/31/05, and have the option to change later.

The auto enrollment will work like this:

- If the person is enrolled in a Medicare Advantage plan that becomes a MA-PD (Medicare Advantage Prescription Drug program), the person will be auto enrolled with that plan.
- If not in a MA-PD, but enrolled with one of the AHCCCS plans that becomes a SNP (Medicare Special Needs Plan) the person will be auto enrolled with that plan.
- Otherwise, the person will be auto enrolled with one of the PDP's (Prescription Drug Plans).

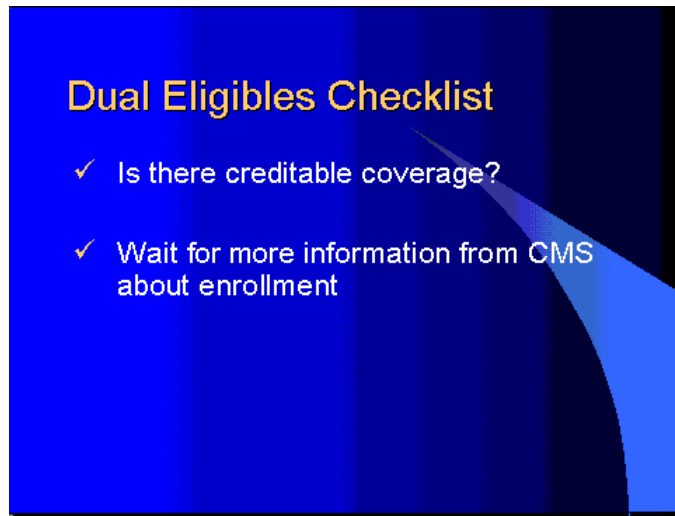
Slide: Important Dates for Dual Eligibles - SG Page 15



Over 90,000 dual eligible customers in Arizona have or will receive the notices:

- In May 2005 - CMS informed dual eligibles that they are automatically eligible for limited income subsidy because they receive both Medicare and Medicaid. No action is required at this time.
- In September 2005 - AHCCCS will send a notice telling our dual eligible customers to watch for enrollment information from CMS.
- In October 2005—CMS will send dual eligibles a notice to tell them they are auto enrolled, the name of their Part D plan, and give them an opportunity to change their Part D plan.
- Before January 2006 - AHCCCS has to send an adverse action notice to our dual eligible customers because we will be reducing the services we cover.

Slide: Dual Eligibles Checklist - SG Page 16



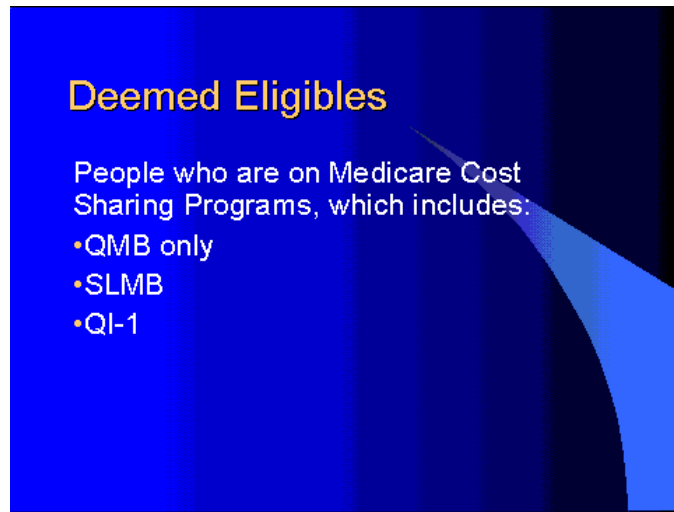
There really isn't anything the dual eligibles can or need to do at this time unless they have other prescription drug coverage. If they do, they can check with other health insurance providers to determine "creditable coverage".

Encourage customers to wait until more information is available about the Part D plans that will be available in Arizona.

If their Medicare or AHCCCS open enrollment come before the end of the year, they may want to consider changing to an AHCCCS health plan that will also be a Medicare Special Needs Plan or to a Medicare Advantage Plan.

Once the Part D plans are selected by CMS in September, people with Medicare will receive additional information about how the plans will work and which medications will be covered by each plan.

Slide: Deemed Eligibles - SG Page 17



Deemed eligibles are people who are eligible for Medicare and are also enrolled in a Medicare Cost Sharing Program. Don't forget that Medicare Cost Sharing may also be referred to as Medicare Savings programs.

This group includes all customers who have Medicare and also receive QMB only, SLMB, or QI.

Slide: How Part D Works for Deemed Eligibles - SG Page 18

How Part D Works for Deemed Eligibles

- No monthly premium
- No deductible
- No coverage gap
- Maximum co-pays based on income
 - $\leq 100\%$ FPL = \$1 for generic, \$3 brand name
 - $> 100\%$ FPL = \$2 for generic, \$5 brand name
 - \$0 co-pay for catastrophic costs

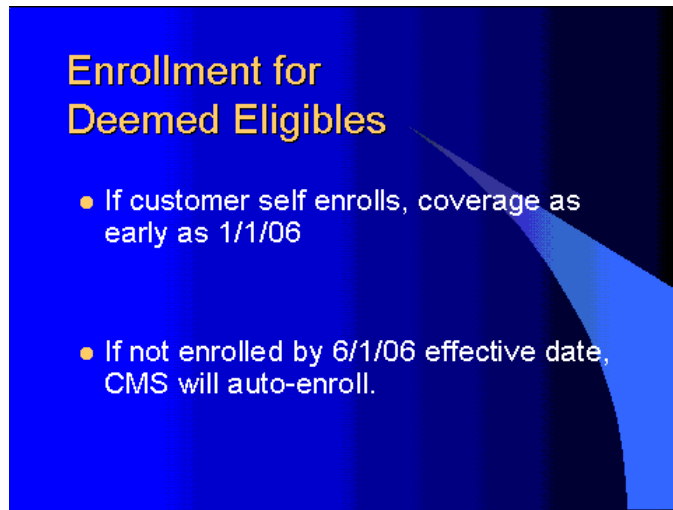
Review the bullet items on this slide, and then make comparisons based on the chart in the student guide.

Be sure to point out that 100% FPL is the QMB Income Limit and that over 100% FPL would mean SLMB and QI-1 recipients.

| Savings Comparison of Out-Of-Pocket Costs | | |
|---|--|---|
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| Premium | \$37/month | \$0 |
| Annual Deductible | \$250 | \$0 |
| Prescription Co-Pay | 25% when prescriptions costs are \$250 - \$2,250 (maximum \$500) | Maximum of \$1/\$3 if income $\leq 100\%$ FPL |
| | 100% when prescription costs are \$2,250 - \$5,100 (\$2,850) | OR |
| | \$2/\$5 or 5% when prescription costs exceed \$5,100 (catastrophic coverage) | Maximum of \$2/\$5 if income $> 100\%$ FPL |

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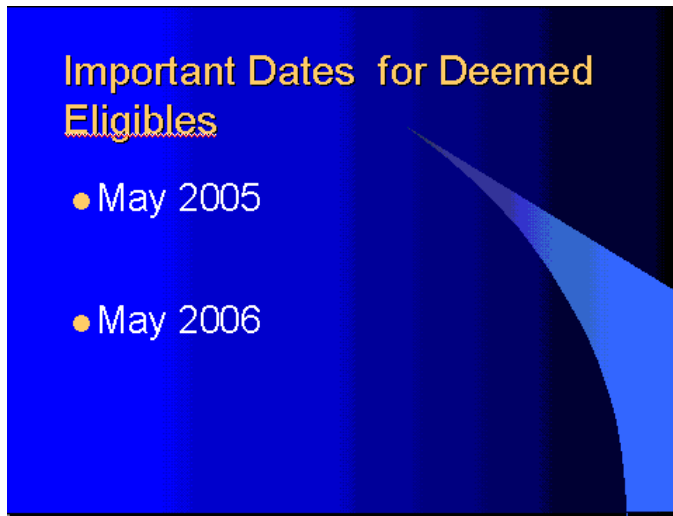
Slide: Enrollment For Deemed Eligibles - SG Page 19



If the customer enrolls by December 31, 2005, his/her coverage will be effective January 1, 2006. This means that deemed eligible customers should be encouraged to select a Part D plan before the end of the year in order for coverage to begin in January. If the customer selects after 12/31/05, coverage will become effective the month after he/she picks. For instance, if the customer selects a Part D plan in January, coverage would become effective in February.

If the customer has not selected a plan by May 15, 2006, CMS will auto enroll deemed eligibles into a prescription drug plan, and the Medicare Part D Prescription drug coverage will not begin until 6/1/2006.

Slide: Important Dates for Deemed Eligibles - SG Page 18

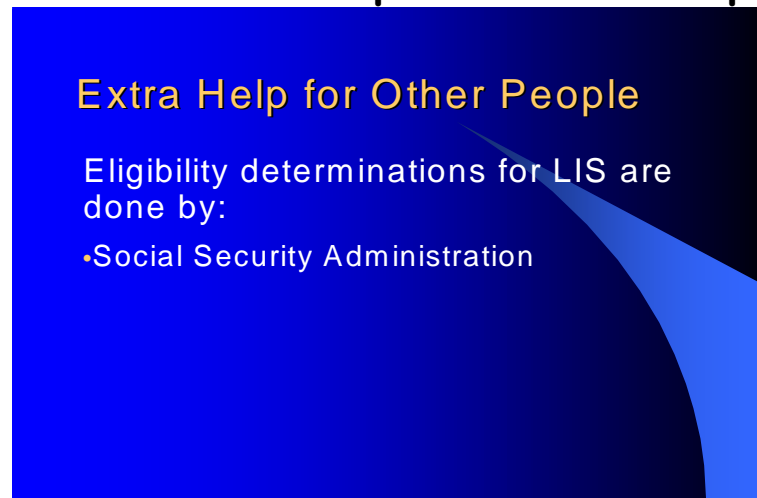


There are 22,885 deemed eligible customers in Arizona that have or will receive the following notices:

- In May 2005 - CMS informed deemed eligibles that they are automatically eligible for help because they receive both Medicare and are eligible for a Medicare Cost Sharing Program.
- In May 2006 - CMS will send a notice to those deemed eligibles who have not already enrolled to tell them they are auto enrolled and give them one opportunity to change the prescription drug plan.

Note: Don't forget - the eligibility begin date is January 1, 2006 only if the customer selects a prescription drug plan before the end of December. If the customer waits until auto enrolled in May 2006 - prescription coverage is not effective until June 2006.

Slide: "Extra Help" for Other People - SG Page 20



Extra Help for Other People

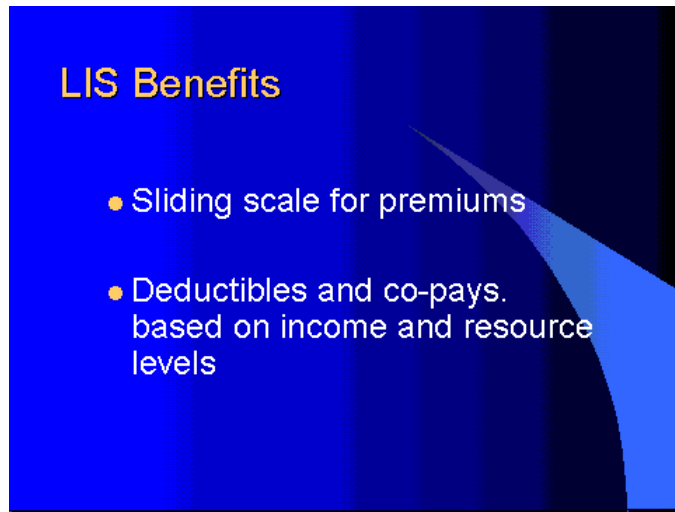
Eligibility determinations for LIS are done by:

- Social Security Administration

People who are not considered to be either dual or deemed eligible may still qualify for "extra help", but they have to apply for this help with the Social Security Administration or AHCCCS.

"Extra help" is also called Limited Income Subsidy.

Slide: LIS Benefits - SG Page 20

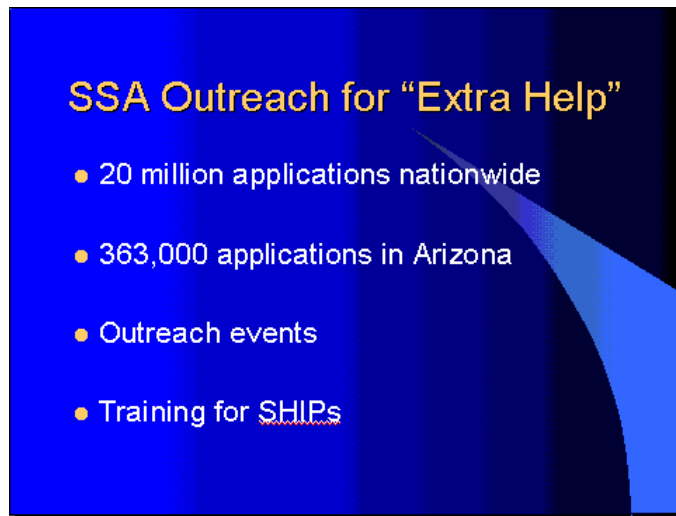


The subsidy will be based on income and resources levels determined by SSA.

The premiums are based on a sliding scale, and the deductibles and co-pays are based on the level of income and resources.

Refer Students to the Benefits and Cost Handout - blue

Slide: SSA Outreach for "Extra Help" - SG Page 21



SSA has identified people with Medicare who may be eligible for the Limited Income Subsidy (LIS) Program, and will be sending out applications directly to those individuals over a period of several months. THIS DOES NOT INCLUDE CURRENT AHCCCS OR MCS CUSTOMERS. IT MAY INCLUDE RBHA MEMBERS WHO ARE NON TXIX WITH MEDICARE WHO MEET INCOME REQUIREMENTS.

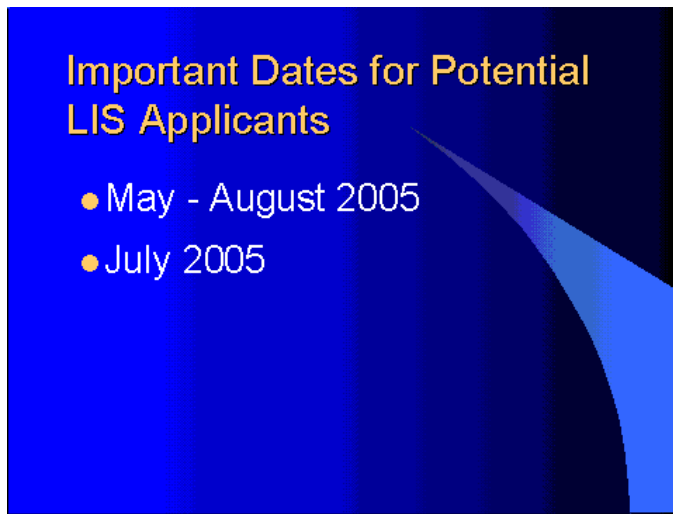
- ☒ 20 million applications nationwide. Remember, there are a little over 43 million people with Medicare in the US, and SSA is sending applications to almost half of them.
- ☒ 363,000 applications are being sent to people with Medicare in Arizona. This is about 45% of people with Medicare in Arizona.
- ☒ 211,000 applications in Maricopa County alone. (About 60%)
- ☒ Social Security has provided posters for display in our field offices to encourage customer to apply for LIS.

SSA is already working with state and local agencies and community organizations to help people with Medicare understand and apply for the Medicare Limited Income Subsidy.

Refer students to the Medicare Part D Enrollment and LIS Contact List - green

Slide: Important Dates for Potential LIS Applicants - SG

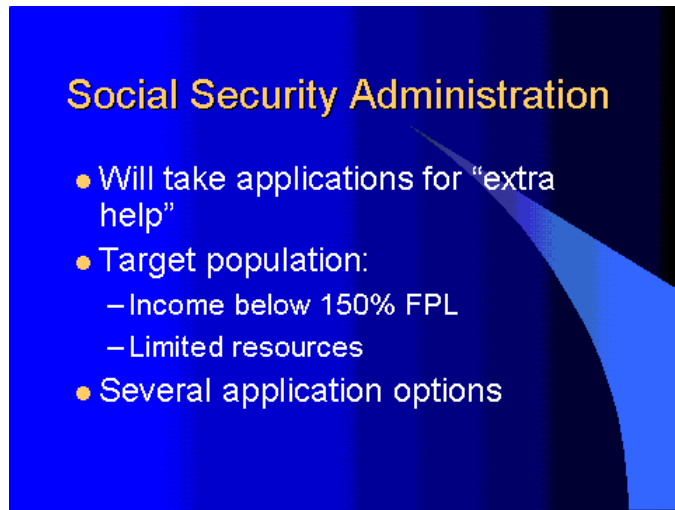
Page 21



May - August 2005 The Social Security Administration will begin mailing applications for “extra help” to people with Medicare who are potentially eligible. These applications are being sent out based on the Medicare claim #, which means that people who know each other (family, friends, etc.) may be receiving applications at different times.

July 2005 The SSA’s online application will be available to the public, and SSA will begin processing the LIS applications and issuing notices to beneficiaries. This will be an ongoing process. **You can assist members in completing the on line application.**

Slide: Social Security Administration - SG Page 22



Beginning in May 2005, the Social Security Administration (SSA) will mail applications with postage paid return envelopes to people with Medicare who may be eligible for extra help with their prescription drug costs. The application is available in either English or Spanish.

Tips for Scannable applications:

- Black ink or #2 pencil
- Stay inside the boxes
- DO NOT DATE STAMP - write in date if necessary
- The application cannot be folded more than once

The completed paper application should be mailed to SSA in the envelope provided. Note: SSA expects almost half of these scannable applications will require manual entry because of problems with complying with the instructions above - let's do our best to help!

Customers can also apply by telephone with a Social Security Representative by calling 1-800-772-1213.

Social Security Online Help



MMA - July 2005

Slide: Who Can Apply With SSA? - SG Page 23

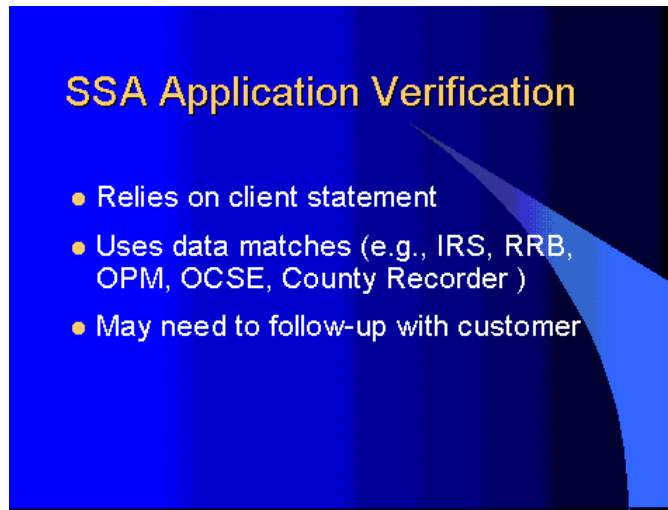


Basically, anyone can help the person with Medicare fill out the LIS application. Some examples might include:

- A personal representative,
- A spouse,
- An adult child,
- A caregiver,
- Advocacy groups,
- A friend,
- State employees,
- RBHA Staff,
- Case Managers,
- **ANYONE!!!**

SSA has provided CDs and videos to walk through the application form. These are helpful tools for anyone needing help to fill out the application.

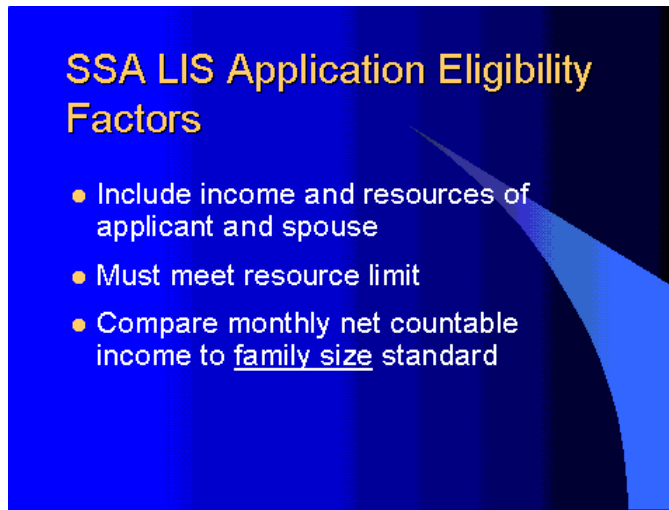
Slide: SSA Application Verification - SG Page 23



The Social Security Administration does not require verifications with the LIS applications. They use the following methods to support information that the individual claims on their application.

- Client statement
- The use of data matches (e.g., IRS, RR, County Recorder)
- Limited follow up with the customer

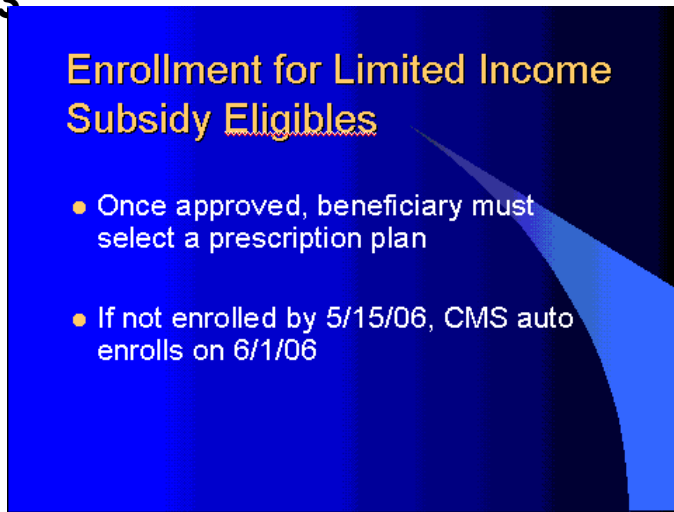
Slide: SSA LIS Eligibility Factors - SG Page 23



The income and resources of the applicant and spouse, if married and living together, are counted in the determination.

Refer students to Benefits and Costs desk aid - blue

Slide: Enrollment For Limited Income Subsidy Eligibles - SG Page 23



Once SSA approves someone for the LIS program, he/she will need to enroll in a Part D plan. **Benefits do not begin until the person is enrolled with a Part D plan.**

If not enrolled by May 15, 2006, these people will be auto enrolled, just like the deemed eligible group.

Slide: Your Role in - SG Page 25

Your Role

- Answer questions!
- Help non dual or deemed customers apply for LIS with SSA
- Assist customers in evaluating Part D Plans.
- Direct individuals with questions about enrollment to available resources

1. Be prepared to answer questions from the customers you serve and the people in their life. These questions may come during your regular interaction with customers, or from people with Medicare who contact you by phone or in person.
2. Help non dual or deemed eligible customers apply for Limited Income Subsidy with SSA.
3. Assist customers in evaluating the part D plans formulary so the member can decide which Part D plan best meets their needs.
4. Direct customers who have questions about enrollment with a prescription drug plan to other available sources for information and help.